chance to compete for consumers in their markets. After the President's determination and imposition of tariffs, the Fair Trade Opportunities Act gives the President the authority to withdraw the snap-back tariffs if that country either joins the WTO or the President certifies that the country is according the United States adequate trade benefits. In addition, the President can modify, but not eliminate, the snap-back tariffs for any reason.

Provides President with discretionary authority to impose snap-back tariffs on countries which unduly restrict emigration.—The legislation's emigration standard which triggers the presidential snap-back authority is identical to the current freedom of emigration language in the Jackson-Vanik law.

Does nothing to change current U.S. sanctions laws with regard to rogue or pariah states such as Cuba, Iran, Iraq, Libya, and North Korea.—Many countries, such as the pariah or bad-actor states, retain normal tariff status with the United States but are prohibited from some or all trading with the United States because of U.S. sanctions laws.

THE FAIR TRADE OPPORTUNITIES ACT

COMMON QUESTIONS REGARDING THE LEGISLATION'S IMPACT ON THE PEOPLE'S REPUBLIC OF CHINA

What is Congressman Bereuter's motivation for the bill?—During the Summer of 1996 in the height of the China Most-Favored Nation (MFN) debate, Congressman Doug Bereuter (R-NE) promised an attempt to ''end [that] futile debate.'' He also vowed to introduce legislation which comprehensively solved the problems created by the MFN process, which with respect to China, he said, only served to damage Sino-American relations. Not long after his statement, Bereuter met with Administration officials and realized that many countries, as well as China, have little or no incentive to become members of the World Trade Organization because they already enjoy full WTO tariff benefits under U.S. MFN law.

Recognizing that other countries, such as the European Union, do not automatically extend MFN benefits to nonmembers of the WTO, Bereuter's legislation attempts to combine both a carrot (the equivalent of permanent MFN, i.e. normal tariff status) and a stick (minor snap-back tariff increases) approach to induce countries into joining the WTO and eventually gaining normal tariff status permanently under U.S. law. This approach steers a delicate middle ground between those who wish to assert America's commercial and foreign policy interests more aggressively and those who believe American interests are best served by engaging countries, such as China and Russia, mutliaterally.

Recognizing that the legislation is not China-specific, how would the Fair Trade Opportunities Act affect China's current trade status and its WTO accession negotiations?—If the Bereuter bill were signed into law, the President of the United States would no longer have to annually certify that China was complying with the Jackson-Vanik law. Likewise, the United States Congress would not have an automatic, expedited procedural mechanism for rejecting any Presidential decision. [Although Congress may, at any time, vote any amount of tariff increases on China because of its Constitutional authority in Article I, Section 8.] In short, the current China MFN process would be abolished.

On a one-time basis and within six-months of the enactment of the legislation, the President would be required to determine if China is ''not according adequate trade benefits'' (defined in existing law) to the United States. If the President makes such a finding, then the President shall impose snap-back tariffs on China six-months after that determination. In imposing snap-back tariffs, the President has wide discretion to determine both the amount of the tariff and on which categories of products the snap-back tariffs will be imposed. However, under no circumstances can the President exceed the legislation's snap-back tariff ceiling which is the pre-Uruguay round MFN tariff rates, i.e., the Column #1 tariff rates in effect on December 31, 1994.

A study by the Congressional Research Service estimates that if the President were to utilize his full snap-back authority on the top 25 Chinese exports to the United States (based on 1995 figures), an additional $325 million in tariff revenue would be generated for the U.S. treasury. (This estimate is not adjusted to reflect any downward demand for the product due to the increased tariff.)

The President would be required to terminate the imposed snap-back tariffs on China on the date China becomes a WTO member or on the date the President determines that China is according adequate trade benefits to the United States, whichever is earlier. The President would also be able to modify the snap-back tariffs for any reason as long as the appropriate congressional committees are notified.

A PLAN TO BOOST SAVINGS AND INVESTMENT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. McCOLLUM. Mr. Speaker, I am introducing a bill today which will help all Americans save for their retirement years. It is no secret that our current savings rate is among the lowest in the industrialized world. A low savings rate not only adversely impacts a person's retirement, it does not create much capital available for savings and investment. Without this capital, our economy cannot expand at its optimal rate. It is my hope that this legislation, if enacted, would help correct this problem.

My legislation would do several things. First, it would increase the amount of money one may contribute to an Individual Retirement Account [IRA], from $2,000 to $4,500, and still receive full deductibility. This amount is also indexed to inflation to protect its value from that silent thief of inflation.

This would also remove a disincentive to establishing an IRA, that being the fear that the money will not be available without paying a substantial penalty when you need it. A person with an IRA would be able to make withdrawals, without penalty, for a first home purchase, education expenses, long-term care, financially devastating health care expenses, and during times of unemployment. Furthermore, no taxes would be paid on these withdrawals if they are repaid to the IRA within 5 years.

Current law offers no incentive for many people to establish IRA's. My bill would allow people who do not have access to a defined contribution plan—e.g., a 401(k) plan—to establish a tax-preferred IRA, regardless of their income. The legislation would also encourage the middle class to establish IRA's by raising the income phase-out levels from $25,000—$40,000 for joint filers—to $75,000—$120,000 for joint filers. This will provide not only incentives, but needed tax relief for the middle class. Again, these levels are indexed to inflation.

Turning to 401(k) reforms, currently folks are hit with tax liability when taking their 401(k) benefits as a lump sum when leaving a job even if it is rolled into an IRA. This is not fair. Therefore, under this proposal, people would not be exposed to tax liability if the lump sum distribution is rolled into an IRA within 60 days.

Just as contribution limits have been increased for IRA's in this legislation, they are increased for 401(k) plans as well. The tax-deductible contribution limits would be $20,000—in 1992 dollars—indexed to inflation.

This would also encourage more firms to establish defined contribution plans by injecting some common sense into the law. It would allow firms to meet antidiscrimination requirements as long as they provide equal treatment for all employees and ensure that employees are aware of the company's 401(k) plan. This is truly nondiscriminatory as everyone would be treated the same.

Finally, this proposal would correct some of the serious problems involved with IRA's and 401(k)'s when the beneficiary passes away. As someone who believes the estate tax is inherently unfair, indeed I advocate its abolishment, I feel that IRA and 401(k) assets should be excluded from gross estate calculations. This bill would do that. Furthermore, an IRA that is bequeathed to someone should be treated as the IRA of the person who inherited it. Current law forces the disbursement of the IRA when the deceased would have turned 70½ years old. This would change that pointless provision, allowing the inheritor to hold the money in savings until he or she turns 70½.

Similarly, anyone receiving 401(k) lump sum payments as a result of a death would not have the amount counted as gross income as long as it is rolled into an IRA. That amount would not be counted against the nondeductible IRA limit of $4,500.

Mr. Speaker, I am excited about this legislation. I expect to introduce this legislation again at the beginning of the next Congress and look forward to hearing debate on it. It is absolutely essential that we continue to encourage personal savings and this is certainly a step in the right direction.

PREVENTING GENETIC DISCRIMINATION IN HEALTH INSURANCE

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Ms. SLAUGHTER. Mr. Speaker, I rise today to announce the introduction of comprehensive legislation to prevent genetic discrimination in health insurance, an issue vital to the health of all Americans.

Scientists are making astounding advances almost daily in decoding the secrets of our genes, especially through the contributions of the Human Genome Project. Genes have already been identified for cystic fibrosis, prostate cancer, multiple sclerosis, Huntington's disease, and many other conditions. As chair of the Women's Health Task Force of the